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SENT DEPARTMENT 4453 REPEATED INFORMATION PARIS TOPOL 77

EXCON

REFERENCES: A. EMBDESP 1864, B. EMBDESP 1983, C. EMBDESP 2003, D. EMBTEL 3697, E. CA-5908

OCB.

CIA

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ARMY

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1. PRESIDENT BOT IN RECENT CONVERSATION WITH ECON MINISTER EXPRESSED DEEP CONCERN OVER PARLIAMENTARY AND COMMERCIAL PRESSURES FOR RELAXATION CHINA CONTROL (REFS A, B AND C CONTAIN REPORTS ON PARLIAMENTARY QUESTIONING CHINA CONTROLS). HE STATED LONDON REP CHICOM "BROADCASTING" SHOPPING LIST OVER 90 MILLION POUNDS FOR BRITISH BUSINESSMEN IF "AMERICAN" CONTROLS SCRAPPED. WHILE PROBLEMS ARISING FROM CHINA DIFFERENTIAL CONSIDERABLE IMPORTANCE, HE STRESSED GREATER CONCERN PREVAILS WITHIN HMG ON OVERALL E-W TRADE CONTROL ISSUE IN LIGHT MODERN NUCLEAR WARFARE DEVELOPMENTS. NUCLEAR WEAPONS COMBINED WITH LONG-DISTANCE DELIVERY CAPACITY RENDER CONCEPT DENIAL NON-MILITARY MATERIAL SOVBLOC INCREASINGLY OBSOLETE. MOREOVER CHANGING CONDITIONS IN USSR REQUIRE NEW TECHNIQUES. EVIDENCES DISCONTENT WITHIN USSR SHOULD BE EXPLOITED BY NUMEROUS VISITS AND TRADE SHOULD BE ON BROAD BASIS AS POSSIBLE TO DEMONSTRATE IN GENERAL SUPERIORITY WESTERN PRODUCTION. UK CONSIDERS UNWISE FORCE SOVIETS DEVELOP SELF-SUFFICIENCY FURTHER. PRESIDENT BOT STATED CHANCELLOR AND PM HAVE SHARED ABOVE VIEWS AND LATTER PROBABLY INTENDS PLACE UK POINT OF VIEW BEFORE US PRESIDENT MARCH MEETING.

2. FONOFF (WORKING LEVEL) DURING INFORMAL DISCUSSION YESTERDAY STATED REPLY TO US NOTE (REF D) PROBABLY DELIVERED NEXT WEEK. NOTHING ON SUBSTANCE OF REPLY GIVEN BUT INDICATION ANSWER

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WILL NOT BE FAVORABLE FROM US STANDPOINT AND WILL BE ALONG SAME LINES TAKEN PREVIOUS YEAR. OFFICIAL REPORTED NO DISAGREEMENT AMONG UK DEPTS ON SUBSTANCE, ONLY WORKING OUT DETAILS PRESENTATION. FONOFF ALSO MENTIONED UK AUTHORITIES DO NOT CONSIDER CHINA SHOULD BE LINKED WITH SOVIET ACTION IN HUNGARY. THERE IS SOME FEELING AMONG UK DEPTS US PROPOSALS NOW LEAVE BRITAIN IN POSITION HAVING TO ACCEPT "PILL WITH JAM" WHEREAS APPEARED POSSIBLE LAST YEAR THAT SOME ACCOMMODATION MIGHT HAVE BEEN REACHED WHEREBY SOME STRENGTHENING COCOM ATTAINED IN EXCHANGE FOR ELIMINATION CHINA CONTROL DIFFERENTIAL. IN OTHER WORDS UK AUTHORITIES FEEL US PROPOSAL "HAS NOTHING IN IT FOR UK". WORSENING ECONOMIC CONDITIONS OF REAL IMPORTANCE AND EVEN MARGINAL MARKETS MUST BE DEVELOPED ACCORDING UK VIEW.

3. UK OFFICIALS STILL CONVINCED US PUBLIC OPINION NOT REALLY CONCERNED WITH CHINA QUESTION BUT RATHER ONLY US ADMINISTRATION AND SMALL VOCAL SEGMENT US CONGRESS. FONOFF CONFIDENTIALLY STATED PROBLEM OF CHINA DIFFERENTIAL IMPORTANT OBSTACLE TO SMOOTH ANGLO-AMERICAN RELATIONS AS IRRITATION OVER THIS PROBLEM SPREAD THROUGHOUT UK DEPTS ON ALMOST ALL LEVELS.

4. BULLETIN CHINA ASSOCIATION FEB. 20 STATES ACTIVITIES IN COMMONS SHOW HMG CONTINUES TAKE INITIATIVE IN COCOM ON CHINA TRADE CONTROL PROBLEM AND BELIEVES LIKELY PM WILL RAISE SUBJECT WITH US PRESIDENT. BULLETIN STATES CHINA EMBARGO LONG OUTLIVED USEFULNESS AND RADICAL CURTAILMENT OVERDUE. IF POLITICAL REASONS REQUIRE LIMITED EMBARGO AGAINST COMMUNIST CHINA NO JUSTIFICATION FOR MAINTENANCE MORE SEVERE EMBARGO AGAINST CHINA. IT ONLY MEANS EMBARGO INEFFECTIVE AS MEANS DENYING CHINA SUPPLIES OF GOODS ON DIFFERENTIAL RANGE AND MERELY AFFECTS ADVERSELY POLITICAL RELATIONS WITH CHINA AND COMPELS CHINA RELY ON USSR.

BULLETIN ALSO STATES HENRY FORD RECENTLY EXPRESSED SAME VIEW AND STATED US POLICY ECONOMIC SANCTIONS "PLAYS INTO THE KREMLIN'S HANDS TO THE EXTENT MAKES SATELLITES MORE DEPENDENT ON MOSCOW .... MAYBE PEOPLE CHINA ANXIOUS GET RID YOKE COMMUNISM AS HUNGARIANS HAVE DEMONSTRATED."

5. RE REF E FONOFF STATES REPLY ON COPPER WIRE TEAM VISIT WILL BE GIVEN SIMULTANEOUSLY WITH REPLY US PROPOSAL ON

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STRENGTHENING COCOM/CHINCOM CONTROLS. IT APPEARS JOINT  
MEETING NOT LIKELY POSSIBLE PRIOR MID-MARCH.

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